EXHIBIT 2

No. 42a – Information in Compliance with 47 C.F.R. 25.137

Information in Compliance with 47 C.F.R. 25.137

In compliance with the requirements of 47 C.F.R. 25.137, WSNet Holdings, Inc. ("WSNet" or "Applicant") provides the following information demonstrating that the public interest would be served by authorizing WSNet to operate a transmit/receive earth station that would uplink to the non-U.S. licensed space station located at 91.0 degrees W.L. and the non-U.S. licensed space station that is under construction and will be located at 82.0 degrees W.L. Both of these non-U.S. licensed space stations are administered by the Canadian government.

47 C.F.R. 25.137(a)

ECO-SAT Test

The Federal Communications Commission (the "Commission") has determined that the ECO-SAT test, as implemented by 47 C.F.R. 25.137, must be applied when there are requests involving the provision of DTH, DBS, and DARS by non-U.S. satellites.[1] As WSNet will demonstrate herein, U.S. satellite systems have effective competitive opportunities to provide analogous services in 1) the country in which the non-U.S. licensed space station is licensed and 2) all countries in which communications with the U.S. earth station will originate or terminate.[2]

WSNet seeks to operate its earth stations in conjunction with the Nimiq 1 space station located at 91.0 degrees W.L. and the space station under construction that will be

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[1] *See In the Matter of Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Service in the United States; Amendment of Section 25.131 of the Commission's Rules and Regulations to Eliminate the Licensing Requirement for Certain International Receive-Only Earth Stations; Communications Satellite Corporation; Request for Waiver of Section 25.131(j)(1) of the Commission's Rules as it Applies to Services Provide Via the INTELSAT K Satellite*, 12 FCC Rcd 24094, 24136-24138, FCC 97-399 (released November 26, 1997).

[2] 47 C.F.R. § 25.137(a) (2000).

located at 82.0 degrees W.L., which are administered by the Canadian government and operated by a Canadian company, Telesat. Therefore, for the first part of the ECO-SAT test, it will be demonstrated that U.S. satellite systems have effective competitive opportunities to provide analogous services in Canada. As for the second part of the test, all communications will originate and terminate in the United States and, therefore, it will be shown that other U.S. satellite systems have the same competitive opportunities as the WSNet to provide analogous services.

There is certainly no limit on the utilization of U.S. satellite systems by Canadian companies to provide service in Canada in the same way that WSNet, a U.S. company, intends to use a Canadian satellite system to provide DBS service in the United States. In fact, Canadian law expressly envisions such a scenario and does not limit its implementation. According to the Regulations of Canada Consolidated, in a Direction to the Canadian Radio-Television and Telecommunications Commission ("CRTC"), the CRTC is directed to "not refuse to issue a license to an Applicant for the sole reason that the Applicant proposes to use foreign satellites for the distribution of non-Canadian programming to subscribers through a DTH undertaking...."[3] The laws of Canada allow the satellites administered by one country to be used to provide service in other countries. The Telesat Canada Reorganization and Divestiture Act directs Telesat to "establish satellite telecommunications systems that provide, on a commercial basis, telecommunications services between locations in Canada and, subject to the appropriate intergovernmental arrangements, to and between other locations."[4]

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[3] Direction to the Canadian Radio-Television and Telecommunications Commission for Direct-to-Home Pay-Per-View Television Programming Undertaking, SOR/95-320 s. 5 (Can.).

[4] Telesat Canada Reorganization and Divestiture Act, S.C. 1991, c. 52, s. 9 (1991).

Just as WSNet, a U.S. company, intends to utilize an earth station in the United States to transmit programming to Canadian satellites to be broadcast back to the United States, U.S. satellite systems have effective competitive opportunities to provide the use of their space stations by Canadian companies with earth stations located in Canada. The U.S. satellite system in this scenario would be afforded an effective competitive opportunity to provide analogous services. Although Canada may have other barriers to entry for the provision of DTH, DBS, and DARS, for WSNet's specific proposals there are no barriers for U.S. satellite systems to have a competitive opportunity to provide the type of service that Telesat would be providing the Applicant. Thus, the first part of the ECO-SAT test is met by the Applicant.

The second part of the ECO-SAT test is clearly met by the Applicant because all communications will originate and terminate in the United States. U.S. satellite systems, should they have the capacity and interest to provide the same services to WSNet, have effective competitive opportunities to provide to WSNet the same service that Telesat will provide to WSNet. Therefore, as both parts of the ECO-SAT test are met by the Applicant, and a grant of this application will serve the public interest by ensuring that American consumers retain a choice of Direct Broadcast Satellite ("DBS") service providers, the Commission should grant this application.

Public Interest Analysis

Granting this application will be in the public interest, as it will strengthen WSNet's capabilities to competitively serve a wide range of consumers in the United States with new and innovative services. WSNet is a U.S. company that is a leading

business-to-business wholesale provider of direct-to-home digital video programming, distributing both digital and analog satellite television programming to the private cable and wireless cable industries serving the multiple dwelling unit ("MDU") real estate sector, as well as small and rural franchise cable companies in underserved areas. These affiliates resell WSNet programming to MDU, single family homes, and multi-tenant commercial properties such as hospitals, university housing, and hotels.

Presently, with the increasing consolidation of the satellite services industry in the United States, it is critical that there be alternatives to which the consumer can turn. Without the grant of this application, it is conceivable that, as a consequence of the EchoStar Communications Corporation ("EchoStar") acquisition of Hughes Electronics Corporation ("Hughes"), in the near future there will be only one DBS service option for the U.S. consumer. That business combination, if approved, would result in over 90 percent of the satellite television market being concentrated in the hands of one company, EchoStar.

The EchoStar acquisition of Hughes creates numerous risks, as a sole DBS provider may have fewer incentives to develop new and innovative services, to keep prices low, and to provide its customers with high quality customer service. For many rural Americans without any cable TV lines, satellite is their sole option if they want to watch television. For them, it is either satellite service or a snowy screen. Nationally, there are nearly 30 million consumers with no access to cable television. In Montana alone, for example, there are roughly 130,000 households with no cable access. Currently, most if not all of these rural consumers can choose between competing

satellite services offered by DirecTV and DishNetwork. If these two satellite companies become one, it will leave rural consumers with a monopoly provider.

Should the EchoStar/Hughes merger be approved, customers located outside the top 100 markets will not receive local-to-local programming unless they are able to purchase such service from another provider, such as WSNet. Echostar/DirecTV is currently pledging that, should the merger be allowed to go forward, the new company will provide local-to-local service in the top 80 to 100 markets. Unfortunately, in the absence of the local-to-local service that WSNet plans to provide with its DBS service, that leaves the many media markets below the top-100 (and the roughly 1,000 or so broadcasters who serve those markets), left out.

If, however, there is another DBS satellite provider, there would be competitive pressures that would compel both companies to develop the highest quality services available to more Americans while keeping the prices for American consumers as low as possible. By granting the WSNet application to utilize high-powered DBS satellites at the 82.0 degrees W.L. and 91.0 degrees W.L. orbital locations, the Commission would enable WSNet to significantly improve on its capabilities and, thereby, effectively compete, enhancing the options of satellite telecommunications consumers in the United States.

Additionally, spectrum located at geostationary orbit is scarce resource that should be fully utilized when possible. This is particularly true with respect to DBS spectrum that could be used to provide DBS to the United States because, following the EchoStar acquisition of Hughes, EchoStar will control practically all DBS channels assigned to the United States. There is now virtually no DBS spectrum that is

administered by the United States that is available for satellite providers to use for providing a viable DBS alternative to the DBS monopoly that would result from the EchoStar acquisition of Hughes. If, however, there is spectrum that is currently lying fallow, even if it is being administered by another country, the Commission should not prevent a U.S. company from using that spectrum to serve U.S. consumers. Rather, the Commission should encourage the use of spectrum that is lying fallow, especially if it can be used by a U.S. company to benefit U.S. consumers. In this case, WSNet has such an opportunity and needs access to DBS satellites at both 82.0 degrees W.L. and 91.0 degrees W.L. in order to be able to effectively compete with the many DBS channels that have been amassed by EchoStar. The Commission should, considering the substantial benefits it will bestow on the American public through increased competition, grant this application.

47 C.F.R. 25.137(b)

Legal, Financial, and Technical Information for Nimiq 1 at 91.0 Degrees W.L.

The non-U.S. space station, Nimiq 1, at 91.0 degrees W.L., as administered by Canada and operated by Telesat, is currently operating and has already had the international coordination process for it completed. Therefore, the Applicant is not providing any financial information for Nimiq 1. Technical information concerning the Nimiq 1 space station located at 91 degrees W.L. is attached.

Telesat, a Canadian corporation based in Ottawa, Canada, is a wholly subsidiary of BCE Inc., a Canadian corporation providing telecommunications services. Telesat has been authorized by the Canadian government to build and operate the Nimiq 1 satellite at

91.0 degrees W.L. The Canadian government, according to the International Telecommunications Union's ("ITU") Plan for the Broadcasting-Satellite Service in the Frequency Band 12.2-12.7 GHz in Region 2 as contained in the Radio Regulations, was allocated frequencies at 91.0 degrees W.L. by the ITU.

Legal, Financial, and Technical Information for Satellite to be Lauched to 82.0 Degrees W.L.

The non-U.S. space station to be operated by Telesat at 82.0 degrees W.L., as administered by Canada, is not yet in orbit but is under construction. Telesat, a Canadian corporation based in Ottawa, Canada, is a wholly subsidiary of BCE Inc., a Canadian corporation providing telecommunications services. Telesat has been authorized by the Canadian government to build and operate a satellite at 82.0 degrees W.L. The Canadian government, according to the International Telecommunications Union's ("ITU") Plan for the Broadcasting-Satellite Service in the Frequency Band 12.2-12.7 GHz in Region 2 as contained in the Radio Regulations, was allocated frequencies at 82.0 degrees W.L. by the ITU.

Telesat is financially well qualified to cover the costs associated with constructing and operating a satellite at 82.0 degrees W.L. Attached to this exhibit are the consolidated financial statements of Telesat.

Technical information relating to the space station that will be located at the 82.0 degrees W.L orbital location is attached. This application will be supplemented with additional technical information concerning the space station being constructed for the 82.0 degrees W.L. orbital location as it becomes available.

TELESAT LICENCES

SPECTRUM LICENCE

March 18, 1999

Mr. L. J. Boisvert
President and CEO
Telesat Canada
1601 Telesat Court
Gloucester, Ontario
K1B 5P4

Dear Mr. Boisvert:

This letter constitutes a spectrum licence granted to Telesat Canada to operate a Direct Broadcast Satellite facility in the 91 degree West longitude orbital position in the 12.2-12.7 GHz and 17.3-17.8 GHz frequency bands.

This licence is subject to the conditions listed in the attachment. These conditions of licence will be reviewed in March, 2002.

This licence expires the earlier of 31 March 2011 or when the satellite reaches the end of its operational life.

Yours sincerely,

Michael Binder
Assistant Deputy Minister
Spectrum, Information Technologies
and Telecommunications

Attachment

ATTACHMENT

TELESAT CANADA
CONDITIONS OF LICENCE FOR
DIRECT BROADCAST SATELLITE (DBS)

1. You must invest as a minimum 2 percent of your adjusted gross revenues resulting from the operation of the DBS facility on satellite-related research and development activities averaged over the next 5 years. Eligible research and development is that which meets the definition adopted by Revenue Canada.

   Adjusted gross revenues are defined as total service revenues less intercarrier payments, bad debts, third party commissions, and provincial and goods and services taxes collected.

2. You must honour all commitments relating to industrial benefits as outlined in your application dated February 28, 1997, notwithstanding other conditions herein.

3. You must make fair and reasonable efforts to promote Canadian manufacturers, designers, and suppliers of telecommunications components for use in the construction of the satellite facility.

4. You must comply with the eligibility criteria as set out in section 16 of the Telecommunications Act and the Canadian Telecommunications Common Carrier Ownership and Control Regulations.

   You must notify the Minister of any change which would have a material effect on your ownership or control in fact. Such notification must be made in advance for any of the proposed transactions within your knowledge.

5. You must provide DBS satellite service to all regions of Canada.

6. You must provide any technical or other support necessary to assist the Department to effect the successful modification of the BSS frequency assignment plans of Appendix 30/30A of the ITU Radio Regulations.

7. You must fulfill all commitments made by Canada pursuant to all international coordination arrangements for the operation of a direct broadcast satellite facility in the 91 degree West longitude orbital position.

8. You must operate the satellite within the provisions of the ITU Radio Regulations and departmental policies.

9. You must make transponders available on a first-come, first served, non-discriminatory basis.

10. You must submit an annual report for each of the first five years indicating continued compliance with these conditions including:

    - an update on the implementation of the DBS satellite service;

    - an update on the usage and status of each transponder;

    - an update on the status of any negotiations carried out under conditions 6 and 8 above.

    - a audited statement of research and development expenditures as required under condition 1 above; a description of Telesat's research and development activities including their distribution across Canada;

    - an update on the actual direct and indirect jobs created with respect to the satellite facility including their distribution across Canada;

    - a description of direct investments undertaken with respect to the satellite facility; and

    - copy of any existing corporate annual report for your fiscal year with respect to this authorization.

    These reports are to be submitted, in writing, within 120 days of your fiscal year end, to the Director, Space and International Regulatory Activities, Radiocommunication and Broadcasting Regulatory Branch.

11. The transfer of this authorization to another party will not be permitted without full review of the application by the Department and approval by the Minister. In the absence of exceptional circumstances, no transfer of authorization will be permitted in the first three years after the award of this authorization to implement a DBS facility.

12. You must pay the applicable annual radio authorization fees within 15 days of your acceptance in orbit of the satellite from the manufacturer, and on or before March 31 of each year thereafter.

300 Slater Steet
Ottawa, Ontario
K1A 0C8

SPECTRUM LICENCE

November 17, 2000

Mr. Paul Bush
Vice President, Corporate Development
Telesat Canada
1601 Telesat Court
Gloucester, Ontario
K1B 5P4

Dear Mr. Bush:

This letter constitutes a spectrum licence granted to Telesat Canada to operate a Direct Broadcast Satellite facility in the 82° West longitude orbital position in the 12.2-12.7 GHz and 17.3-17.8 GHz frequency bands.

This licence is subject to the conditions listed in the attachment

This licence expires the earlier of March 31, 2016 or when the satellite reaches the end of its operational life.

Sincerely,

Jan Skora
Director General
Radiocommunications and Broadcasting
Regulatory Branch

Attachment

ATTACHMENT

TELESAT CANADA
CONDITIONS OF LICENCE FOR DIRECT BROADCAST SATELLITE (DBS) LOCATED AT 82° WEST LONGITUDE ORBITAL POSITION

1. The licensee must comply with the eligibility criteria as set out in section 10(2)(d) of the *Radiocommunication Regulations*.

   The licensee must notify the Minister of any change which would have a material effect on its ownership or control in fact. Such notification must be made in advance for any proposed transactions within its knowledge.

2. The licensee will operate the DBS satellite at 82° West as a Canadian telecommunications common carrier, and will make the satellite capacity available on a non-discriminatory basis to meet Canadian broadcasting requirements in all regions of Canada.

3.1 Should DBS satellite capacity at 82° West exceed Canadian broadcasting requirements the licensee may assign this excess capacity to provide fixed-satellite services in Canada within the limits set out in Article S5.492 of the International Telecommunication Union (ITU) *Radio Regulations*.

3.2 The licensee will initiate a public "call for interest" to determine Canadian capacity requirements prior to the launch of the DBS satellite. This process shall not be concluded prior to the launch of the DBS satellite. Should available capacity exceed the identified Canadian broadcasting and fixed satellite service requirements, the licensee may assign such excess capacity for services in other countries, subject to the approval of the appropriate regulatory authorities of the administration concerned.

3.3 If a Canadian broadcaster is licensed and plans a service in the DBS frequency band after the licensee has assigned all the satellite capacity being made available by this licence, the licensee shall undertake to use reasonable commercial efforts to find and offer such DBS or equivalent satellite capacity to meet the broadcasters needs. This undertaking is limited to an obligation to find and offer capacity equivalent to the amount not assigned to Canadian users on the satellite by the licensee.

4. The licensee shall demonstrate to the Department prior to entering into a contract for the procurement of a new DBS satellite for operation at 91°

West, that the design and capacity of the satellite to be operated at 91° West will comply with all existing conditions of licence set out in Telesat Canada's DBS spectrum licence dated March 18, 1999, and that the satellite to be operated at 82° West will meet the requirements set out in condition 2 above. To this end, the licensee shall submit the final design specifications of the new DBS satellite to be operated at 91° West, as well as the intended technical operating characteristics of the satellite to be re-deployed to 82° West, to the Department before March 1, 2001 for approval.

5. The licensee shall submit on a confidential basis, as part of its annual report to the Department respecting this authorization, a current listing of all satellite capacity being made available though this authorization, the capacity assigned to Canadian broadcasters and other service providers including the parties to which it is assigned, and any unused capacity including the terms of its availability. The licensee shall provide to the Department upon request interim reports on satellite capacity. The licensee shall also make available on its Website an indication of the assigned satellite capacity and the capacity available for assignment, as well as the name and contact information of a person within its organization that can be contacted by potential service providers for information concerning availability of satellite capacity.

6. During the lifetime of the satellite, the licensee shall make available the equivalent of $2.5M Cdn per annum in Direct-to-Home (DTH) services at no cost for use by public institutions such as tele-education and tele-health institutions in remote areas of Canada. This may include access to digital video compression hardware, uplink services, and space segment capacity.

7. Prior to entering into a contract for procurement of the satellite, the licensee must provide a statement indicating any Canadian content in the satellite. The licensee must also demonstrate to the Department that it has made fair and reasonable efforts to promote Canadian suppliers of telecommunications components for use in the construction of the satellite facility.

8. The licensee must provide any technical or other support necessary to assist the Department to effect the successful modification of the DBS frequency assignment plans of Appendix 30/30A of the ITU *Radio Regulations*.

9. The licensee must fulfill all commitments made by Canada pursuant to all international coordination arrangements for the operation of a DBS facility in the 82° West longitude orbital position.

10. The licensee must operate the satellite within Departmental spectrum policies and the provisions of the ITU *Radio Regulations*.

11. The licensee must submit an annual report for each of the first five years from the date of issuance of this authorization which would include:

- an update indicating continued compliance with all licence conditions;
- an update on the implementation of the new DBS satellite to be located at the 91° West position, and the re-location of the existing NIMIQ satellite to the 82° West position;
- an update on the usage and status of each transponder as per condition 5 above;
- an update on activities related to the provision of capacity for public institutions as per condition 6 above;
- an update on the status of any negotiations carried out under conditions 8 above;
- a copy of any existing corporate annual report for your fiscal year with respect to this authorization.

These reports are to be submitted, in writing, within 120 days of your fiscal year end, to the Director, Space and International Regulatory Activities, Radiocommunication and Broadcasting Regulatory Branch.

12. This licence may not be transferred or assigned without full review of the application by the Department and the authorization of the Minister. For clarification, and without limiting the generality of the foregoing, "transfer" includes any leasing, sub-leasing or other disposition of the rights and obligations of the licence, and also includes any change which would have a material effect on the ownership or control in fact of the licensee.

13. The licensee must pay the applicable annual radio authorization fees within 15 days of commencing operation of the satellite at the 82° West orbital position, and on or before March 31 of each year thereafter.

TECHNICAL INFORMATION ON THE 82.0 DEGREES W.L. AND 91.0 DEGREES W.L. ORBITAL LOCATIONS

Industry Canada

Background Material
for
Canada Gazette
No.: DGTP-009-96
November 1, 1996

Spectrum Management

Information on the Existing Submission to the ITU to Modify the BSS Plans for the Canadian Orbital Position 82 Degrees West Longitude

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